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Putting transnational labour process in its place: the dormitory labour regime in post-socialist China

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ABSTRACT
Globalization of capital accumulation and transnational production highlight a shifting paradigm in labour process theory, which requires a theorization on the spatial politics of production. The shift from Taylorism and Fordism (mass production and welfare-state interventions) to flexible accumulation (flexible production, casual labour, deregulation and privatization) may be a periodization that has become increasingly problematic. What is emerging is the transnational political economy of production that links not only to a new scale of the economic, but a new economy of scale, in which mass production and the space of work-residence are extensively reconfigured for capital accumulation on a global scale. This article aims to explore a new spatial politics of transnational labour process in China at the time of its rapid incorporation into the world economy. We study a distinctive form of labour regime, the dormitory labour regime in China, and explore the articulation of production and daily reproduction of labour using two contrasting case studies.

KEY WORDS
China / dormitory labour regime / spatial politics / transnational labour process / transnational production

Introduction
Globalization of capital accumulation and transnational production highlight a changing paradigm in labour process practice, which requires a theorization on the spatial politics of production. The shift from Taylorism
and Fordism (mass production, mass consumption and welfare-state interventions) to flexible accumulation (flexible production, casual labour, withdrawal of state interventions, deregulation and privatization) may be a periodization that has become increasingly problematic. The flexible production paradigm appears to be no longer able to encompass many developing countries that have been tightly incorporated into global industrial capitalism in a transnational context. What is emerging is the transnational political economy of production that links not only to a new scale of the economic, but a new economy of scale, in which mass production and the space of work-residence are extensively reconfigured for capital accumulation on a global scale. Detroitization of production in the ‘Third World’, explicitly in the making of China as a world factory, has greatly challenged, if not replaced flexible production politics, notably in a western context. In this article we explore a new spatial politics of transnational labour process in China at the time of its rapid incorporation into the world economy. We study a distinctive form of labour regime, the dormitory labour regime in China, and explore the articulation of production and daily reproduction of labour using two contrasting case studies.

Burawoy’s (1985) concept of ‘politics of production’ was critical to labour process theory in bringing back the political and ideological effects of production regimes, in which the role of the state played a central part in shaping the nature of production and labour politics in the workplace. What was missing from Burawoy’s consideration was the spatial aspect of production, something that Harvey (1982) has sought to provide through a critique of Marx’s theory on capital accumulation. Transnational reorganization of world production makes it harder to neglect this missing dimension – the space production of production. Capital flows, labour mobility, technology diffusion, international subcontracting chains, information networks, just-in-time production, are transnational processes that not only require intensive reconfiguration of time, but also rapid reorganization of space (Harvey, 2001). Time–space compression characteristic of the global age is not an annihilation of space (Hutton and Giddens, 2000). Rather it crystallizes an abrupt, conflictual and fluid process of rapid reconfiguration of spatial arrangements for capitalist expansion and global manufacturing, namely, in the international division of labour (Frobel et al., 1980; Henderson, 1989), transnational corporations and capitalist class (Sklair, 2001), technology transfer and the mobility of labour (Sassen, 1988), feminization of labour use and the growth of new factory-towns in Latin America, Asia, and especially in China (Deyo, 1989; Lee, 1998; Nash and Fernandez-Kelly, 1983). What is often neglected in these studies is a more micro but deeper view on how this reconfiguration of spatial production influences production politics in a multi-scaling production site, where the macro field of global economy meets with the micro field of local political and labour market institutions and workplace relations (Frenkel, 2003). The main focus of this article is on the transnational reorganization of world production, articulating how global, national and local factors, give birth to new forms of labour regime and workplace relations.
Analysis of the spatiality of transnational political economy highlights a fundamental paradox central to global capital: that the imperative of capital flight – the deterritorization of production on a global scale – means nevertheless that workplaces require provisional setting within specific locales to ensure that surpluses are expropriated within a given time-frame (Harvey, 2001). This transnational space as a space of capital can be highly abstract, but as a terrain of contestation between capital and labour it is concrete and embedded as it is realized in a specific labour process with ‘spatial fixes’ (Harvey, 1982: 416). While territory or space is discounted through higher capital flows, there is always a locality effect or influence where the role of the state, local culture and specific classes of employers, managers and workers come together for the purpose of production. Strategies of localization in terms of production processes and influence over local communities as well as labour control are parts of the political economy of global capitalism that are both institutionally and locally embedded (Peck, 1996).

This article seeks to explore one particular locality effect, namely the construction of export-orientated factories in China, and the role of the Chinese state, transnational capital and internal migrant labour in producing an exceptionally productive labour regime. The article examines the linkages between the production and reproduction of labour power in this transnational labour process space. We aim to characterize a new form of labour regime, the dormitory labour regime in China, as providing production conditions that out-compete other systems, especially flexible production and traditional Fordism in the current period. This is because within this system labour costs are low, the productivity of workers high, and the access to extensive low-cost labour reserves institutionalized within a political economy between state and market. Further, the form of labour capture allows access to cheap labour without a longer-term build-up of labour institutions that would lead to better working conditions and labour solidarities. That is, unlike traditional labour markets in the West, working conditions within the dormitory labour regime are not circumscribed by the operation of geographically rooted norms, trade union institutions and localized practices that normally emerge under geographically bounded social conditions, and which serve to form labour communities and increase workers’ living standards (Herod et al., 2003; Storper and Walker, 1989: 157). Instead, the systemic provision of dormitories for internal migrant labour within or around factories facilitates continuous access to fresh labour reserves from the countryside and depresses wage demands and affects collective organization by workers in a particular industrial space. The dormitory labour regime in concentrating and yet circulating labour between capitals, therefore represents a powerful labour management regime, which China is currently using to fuel its integration with the world economy.

The emergence of the dormitory labour regime in China is not idiosyncratic as dormitory use for labour has a long history in both a Western and Eastern context of industrialization. Historically speaking, living-in with the employer occurred in apprenticeship systems (Rorabaugh, 1988), in domestic labour (Montgomery, 1987), and in particular occupational communities in both historical and contemporary periods such as English and Japanese cotton villages of
the 19th century, mining towns in Central and South Africa of the 20th century (Mitchell, 1969), and contemporary manufacturing factories in Malaysia and Japan (Smith, 2003: 333). Early capitalists in many countries provided accommodation to secure the long-term interests of the company by securing a loyal and readily available supply of labour within the local labour market, town or community, or they provided accommodation because factories were in remote places or required particular conditions. This is typical of ‘village factories’ in 18th and 19th century Britain, in the wool and cotton mills, or mines, iron and copper works (Pollard, 1965). In these ‘contingent’ forms of employment, accommodation was frequently provided by large employers, and it yielded both rent and management control, with evictions possible for strikers or troublesome workers.

Comparative affinities between the Chinese case and other regimes where employers have combined work and accommodation in close proximity miss the general character of the Chinese experience. For example, the Southern African diamond and gold mining industry used a compound system to accommodate labour from a wide geographical area, but this system was confined to male workers, uniquely racialized and factor constrained by the geographical proximity of the industry (Burawoy, 1985; Higginson, 1989; Van Onselen, 1976). In this sense, the Chinese dormitory labour regime is unique. Dormitories are available to all workers and industries regardless of factory conditions; provision is for males and females, and the widespread availability of industrial dormitories not only constrains the mobility of labour, it also facilitates it.

In contrast to these various accommodation provisions by the employer for keeping long-term labour use, the distinctive nature of the Chinese dormitory labour regime is for short-tenure migrant labour within the factory compound or close to it. Moreover, dormitory provision cannot easily be seen as part of the paternalism identified in the Western model (Ackers, 1988), or managerial familialism in Japan (Hazama, 1997) or the firm as a total institution of the pre-reform Chinese state enterprise (Walder, 1986). This is because dormitories house mainly single workers for short-term employment, and hence accommodation does not function for the long-term or protracted relationship between the individual firm and the individual worker. In China, the state still plays a very substantial role in shaping labour markets, regulating labour mobility from rural to urban industrial areas and providing housing accommodation to migrant workers. In most of the newly industrial towns, the Chinese state initially provides the dormitories for the factory owners to rent. As housing provision is not for families, there is no interest from capital in the reproduction of the next generation of labourers. Chinese rural society can take care of new workers, as the abundance of rural labour ensures the continuous supply of commodified labour to factories. Rather, the focus is on maximizing utilization of the labour of the temporary, migrant and contract labourer by controlling the daily reproduction of their labour power.

The political economy of providing accommodation close to the factory is the linkage it supports between state, employer and international product market. Since the migrant working class is deprived of citizenship rights to stay in the city, the state through residency controls allows labour mobility, but workers must
have employment to support temporary residence. Dormitories facilitate the
temporary attachment or capture of labour by the firm, but also the massive
circulation of labour, and hence the holding down of wages and the extensive
lengthening of the working day, as working space and living space are integrated
by the employer and state. A hybrid, transient workforce is created, circulating
between factory and countryside, dominated by employers’ control over housing
needs and state controls over residency permits (Pun, 2005).

Hence, what is interesting is not the recurrence of an old form of labour use
in global capitalism, but the configuration of new forms of work-residence for
the daily reproduction of labour in transnational labour process space. The article
begins by examining the distinctive character of a dormitory labour regime,
particularly as constructed within China by both capital and state. We then com-
pare two contrasting case studies of transnational labour regimes. Using com-
parative case study methodology, we choose two representative foreign-owned
factories from the clothing sector, which has expanded dramatically in the
reform period, representing the major part of the labour-intensive export sec-
tors, and 12 percent of China’s GDP. The first case, China Golden Garments,
represents a local subcontracting strategy, where working and dormitory condi-
tions are of a poor standard, but production is maintained through inter-firm
networks to first- and second-tier supplier companies that win orders, but must
use the subcontracting network of firms to fulfil orders. The second, China Silver
Garments, signifies a new management vision of a model factory which aims to
adopt international quality standards and labour codes in order to gain Western
buyer approval for export to overseas markets. The first case, China Golden
Garments, in Dongguan, was frequently visited during summer 2002 and winter
2003, and interviews were conducted with the Managing Director and supervi-
sors, and conversations with production workers as well as supervisors in the
dormitories. The second case, China Silver Garments, in Changzhou, was stud-
ied over two weeks during Easter and Christmas 2002, with group interviews
with workers and individual interviews with management. Documentation on
labour management policies and plans for the development of the firm were also
examined. In both cases, all parts of the production process were directly
observed, as were the dormitories for male and female workers, and supervisors.

The dormitory labour regime in China

Historically, many forms of living with the employer occurred in China in the
novice industries of the early 20th century, as household and labour processes
were more unified than under factory systems. As described by Perry (1993) a
silk company in Shanghai, which developed into the largest silk-weaving plant
in China in 1927, had adopted a form of Westernized paternalism, using dor-
mitory labour. She said that ‘To encourage a high level of output among the
young weavers, the company sponsored production contests, paid generous
wages, and provided a variety of services: dormitories, cafeterias, clinic, library,
night school, recreation club, sports team and the like’ (Perry, 1993: 183). In the same city, historian Honig (1986) on the other hand describes dormitories as fitting within a pattern of minimum benefits and tightly controlling contract workers’ lives in foreign-controlled plants in early modern China. Dormitories were then taken as an institution of labour control for housing or for ‘protecting’ migrant and female workers when a few city ports were open to foreign capital in Republican China. The limited scope for providing dormitories to workers in foreign plants in early modern China was radically transformed when the socialist regime was set up in 1949. Work-residence was instituted for work units of state or collective enterprises using the Soviet model in building workers’ dormitories. These dormitories were nevertheless for housing a permanent urban workforce under the socialist planned economy.

In many parts of China today, but especially in the Special Economic Zones, the provision of accommodation through dormitories has been radically reconfigured. The socialist planned economy has withered, replaced by a booming global market economy in which both capital and state play a significant role in shaping a new dormitory labour regime in China. Not for housing an urban workforce, this dormitory regime is an outcome of global capitalism and legacies of socialism intended to capture a short-term labour use for rural migrants, serving the rise of China as a global workplace. In new global factories, the dormitory labour regime has been extended to the majority of production workers and is the norm. It is now more systemic and extensive. Moreover, the Chinese dormitory labour system applies to companies irrespective of product characteristics, seasonality, location specificities or employer preferences.

Such dormitories are communal multi-storey buildings, housing several hundred workers. Rooms are shared, with between eight and 20 workers per room. Washing and toilet facilities are communal between rooms, floors or whole units, such that living space is intensely collective, with no area, except within the closed curtains of the worker’s bunk, for private space (Lee, 1998; Pun, 2005). Workers are typically single, migrant, young and disproportionately female. Migrant workers in dormitories are separated from families (more especially parents), and from customary locale (and perhaps familiar food, language, and surroundings); they are gender segregated (men and women live on different floors or in different sections) and concentrated in a factory and workspace as ‘homogenized’ labour of migrant genesis. The connection to the factory is short-term and contractual, in that migrants are not expected to mature their working lives within the factory. Wages can be held down through the linking of the factory to a pool of labour in distant provinces of China, the availability of accommodation at work creating opportunities for considerable inter-provincial mobility. This inhibits local labour markets emerging around the factories, and the social and political institutions of industrial relations that would develop were workers to identify their economic fate with particular employers or a local labour market. Alienation of labour is therefore significantly more than the lack of ownership of product, tools and control of skills sufficient to support independent production. Workers in dormitories are alienated
from their hometown and their parents, working within factories dominated by unfamiliar others, languages, food, production methods and products. Yet these objects and subjects confront the new worker virtually 24 hours per day, seven days a week and often throughout the year.

In terms of gender and age composition, the dormitory labour regime represents a unique factory system – a workforce of permanently young workers, predominately female. This is an extraordinary achievement. Even in the English cotton factories of the 19th century the attempts to create a juvenile proletariat were limited by unionized older workers (Burawoy, 1985). Most factories remained mixed by age, even if women workers were progressively excluded. In China today, a teenage proletariat dominates factories. However, while the structure of the dormitory labour regime is for the continual reproduction of a young, transient working class, as we shall show through our case studies, the complete exclusion of older and married workers has not been achieved.

The case studies

In the first phase of China’s export-oriented industrialization in the 1980s, dormitories were predominately owned by local authorities and rented to factory owners. Starting from the mid-1990s however, increasingly, foreign-owned or private companies have been building their own dorms to suit their own particular needs and typically, these facilities are within compounds flanking the factory. In these settings, the spatial integration between working and non-working life is tighter, and capital, rather than the state, plays a more commanding role in controlling workers’ lives. In our two case studies, we provide examples of different ownership forms and highlight differences in the management of labour they offer.

The structural features of the dormitory labour regime described above have different articulations in particular companies. There is variety along a ‘continuum of control’ based on established institutional, organizational and spatial contingencies. These contingencies include the preferences of different ‘national’ capital, the size of the firm, the market segment occupied by the company, whether production is for an original equipment manufacturer (OEM)\(^1\) or own brand, and the capitalization of the company and the resources it can legitimately access within China and abroad. Again, our two case studies present workers’ lives along this continuum. In highlighting the contrasts between our two cases, we do not wish to ascribe a developmental logic to this, one backward, the other more advanced. However, we would say that in one case the strategy of capital with regard to the dormitory labour regime is to accept the rationalization logic of international capital by embracing codes of conduct and international quality marks in order to access global markets more directly. This is the condition of what we are calling a ‘modernist’ player, China Silver. Whereas in the other case, with a different position in the supply chain, no branded goods and no access to the Chinese market, the firm plays a more third-tier subcontractor role. This is the case with China Golden, our first case.
In terms of dormitory provision, the latter depends entirely on the local state for the dorm, whereas in the case of China Silver, the firm has built its own dormitory to meet international not local standards. We will bring out the contrasts between these cases below.

**China Golden Garments: practising a neo-paternalistic dormitory labour regime**

China Golden Garments is a relatively small subcontracting garment factory set up in Dongguan, South China in 1997. China Golden has a workforce of 600, and is a typical Hong Kong-owned enterprise under the control of a Hong Kong director who has sole authority over the operation and control of the factory, thus having a quasi-paternalistic style of management. China Golden lies in the mid node of the global subcontracting chain, in which it produces garments for Hong Kong buyers who hold production orders from American and European corporations. China Golden has an office based in Hong Kong, which coordinates marketing, production orders, materials provision, shipping and other activities for facilitating the whole production process in China.

Establishing a reputation for on-time delivery was of central importance to secure the company business, as well as having a close personal relationship with Hong Kong buyers. In addition, establishing a reputation within the locality, and having close personal relationships with other entrepreneurs in the sector meant informal sharing of work which kept production going. This personal network building, instead of the expansion of the company profile or living up to international standards for working conditions, was the business strategy of China Golden.

There was no plan to build a new compound or expand the existing facility. Both production and dormitory premises were rented from the local district government, which charged the company an additional management fee, which was 15 percent of labour cost per head. Both production facilities and working environment were poor, but there was no strong incentive to upgrade either. The management knew that there was international pressure to improve the working and living conditions by different codes of conduct. The director had subscribed to the Disney code of conduct, which was displayed on the wall in Chinese. The Disney code is a statement about the ethical standards that a transnational company claims to uphold and implement through its production suppliers or trade partners. The principles of the corporate code are measured against the ILO Convention; in particular those concerning the respect of human rights at work. Key clauses include seven major areas: no forced or bonded labour; no child labour; no discrimination in employment; living wages and benefits; normal working hours; no hazards to safety and health; and a decent working environment. However, the manager said these codes were useful if they gave support to improvements – but as most only gave verbal advice and no resources, they were not considered particularly helpful. It was
stressed that profit margins were so tight that there was no room for the additional costs that codes or new dormitories would bring.

**Accommodation, labour recruitment and labour turnover**

Nearly all the workforce in China Golden were rural migrant workers from the provinces of Guangdong, Hunan, Hubei, Jiangxi, Anhui and Sichuan. The only locals of Dongguan, where the factory was based, were the accountant and the facilities manager of the company. The problems in housing these migrant workers were difficult and expensive, according to the facilities manager, though only very basic housing facilities were provided. The dormitory building of three stories was adjacent to the production building, which required only two minutes walk to the shop floor, thus easily facilitating a just-in-time labour system for production orders that were very tight and maintaining the company’s on-time delivery strategy. Each dormitory room housed 12–16 workers and was very crowded, lacking ventilation, adequate lighting, and offering absolutely no private or individual space. No kitchen, toilet or bathroom was provided in the room, and thus the workers on each floor had to share common toilets and bathrooms at the end of the corridor. A hierarchy for the spatial arrangement in lodging was evident, this reinforcing a hierarchy of labour. Managerial, technical and supervisory staff members were sharing two per room, but the rooms were also very basic.

The management admitted the living conditions were very poor, but blamed the local government for not providing enough space for adequate dormitory facilities. The dormitory building was built to accommodate 500 workers only, but for China Golden it always housed more than 600 workers. In one of the dormitory rooms, the toilet walls were blackened with moisture and covered over with plastic sheets, and the broken window panels had been replaced by plastic in order to prevent air from entering the room. The general state of both the bathrooms and the toilets was extremely bad, and in some places filthy, indicating long-term neglect. This is typical of small- to medium-sized garment factories in South China where dorms are often ‘free’ and no deposit for accommodation is required.

Neo-paternalism in this workplace reflected not only the managerial style which was almost a copy of the family-based enterprises in Hong Kong, but also the way the company relied heavily on family networks to recruit workers. As an example, a supervisor in charge of 60 workers in the finishing unit had 12 relatives in the factory, and he had been with the company for six years. With 600 workers in the factory, it only took about 50 families or less to be responsible for recruiting all of the workers. For the management side, we saw a few families controlling access to work. For the workers this means access to the factory was totally network-dependent, and strangers could not get a look in. In other words, if a family member or same village member got work in a clothing factory, this determined the fate of others that had to follow the flow into this clothing factory, or follow the significant individual around as they moved.
This might form a dormitory labour ‘honeycomb’ pattern started from one or two core family members and spiralling to create a network linked to more than 10 to 15 workers in the same company (Pun, 2005). In China Golden, the finishing unit supervisor took six years to weave his family network connecting individuals to different work positions. Acting as a paternalistic patron, he needed not only to take care of his relatives and co-villagers’ daily lives and accommodation, but was also responsible for their work behaviour on the shop floor. All the family members recruited needed to be responsible, and this might act to police the performance of the worker; if they let the family down, they let the team down and payment, which was strongly performance-based, would suffer (Greico, 1996). This resulted in a piece of cartography of dormitory labour making up mutual obligations as well as mutual control and group discipline in the workplace (Pun, 2005). Thus, labour mobility was balanced by these self-regulated job-hopping networks, which served as a stabilizer to keep a constant labour force for the dormitory labour regime. This explained the lower levels of labour turnover in this factory compared with China Silver.

Therefore, on the workers’ side, individuals did not make ‘job choices’ as these were decided through connections, and are ‘structured’ through networks. It was not individualized or market economic rationality. For the management, it was one of the significant ways to shelter from the high labour turnover rate in the locality. In China Golden annual labour turnover was around 20–30 percent, a little lower than at other companies in the region. Moreover, it was also one of the strategies to poach skilled workers and retain them through the kin and family networks. China Golden seldom trained fresh and unskilled labourers and when the newcomers gained admittance, they entered as skilled or experienced workers. Their family members or co-villagers, who had work experience in the company, had already trained most of the workers in their villages.

What is interesting here is that China Golden, a neo-paternalistic regime, had a lower labour turnover rate than China Silver, a modern one. Due to the pattern of recruitment, exiting was also a collective matter. Workers would leave in groups, not as individuals, and the dense network of family or village members in the factory would inhibit individual opportunism – that is, voluntary quitting by individuals. It was also evident that due to the more varied age profiles in the factory, China Golden had an age range from 16 to 40, suggesting that the family form of recruitment and labour control, exercised in the absence of senior management control, operated to break age norms typical for migrant workers in China.

**Freedom of movement and management coercion**

China Golden stressed tighter control and more restrictive measures to regulate workers, who came from more than five provinces, and thus had a wider spatial mobility and segmentation than China Silver. The company kept the workers’ identity cards as well as enforcing a system of deposits including RMB20 (US$2.4) for a company card, RMB30 (US$3.6) for a uniform, RMB20 for work...
tools if applicable, and RMB50 (US$6) for dormitory accommodation, making a total of RMB120. In addition to the token Disney Code, China Golden had its own code, the real one, which was far more detailed and disciplinary.

The working hours were very long; overtime work was expected on Sundays and every night (see Chan, 2001). The workers in China Golden worked from 8 a.m. to 10 p.m. If there were rush orders, the workers could be requested to work up till midnight. Twelve working hours per day was normal; a rest day would only be provided if there was a break in production orders or during the low season. This meant that the workers worked between 72 and 77 hours each week, far more than the working hours allowed by Chinese law (40 hours each week, and 36 hours overtime work per month). It openly violated Chinese Law and the Disney code. With longer working hours, the wages at China Golden were much higher than at China Silver. The average monthly wage for production workers was RMB950 (US$114.5) inclusive of overtime work, and the highest one could get rose to RMB2000 (US$241) in the high season. The paternalistic dormitory labour regime provided absolute lengthening of working hours and double extraction of labour power through absolute control of labour time and living space. In this sense, a paternalistic dormitory labour system seemed to be the archetype of the dormitory labour regime and was illustrative of the complicated relationship between the labour process, recruitment networks and the reproduction of labour.

China Silver Garments: imagining a modern dormitory regime

China Silver Garments is a joint-venture company owned by a Chinese manager and a Taiwanese family entrepreneur in the Shanghai region. Established in 1995, the company was mainly under the control of the mainland Chinese manager who was in charge of the daily management and operation of the production, while the Taiwanese counterpart served to provide and secure production orders mainly from a big European corporation and Japanese buyers. China Silver Garments produces garments and underwear. It also produces its own undergarment brand for the Chinese market. According to management, some 30 percent of China Silver Garments’ production went to this single European corporation, which then enforced a very strict company code of conduct at the factory. China Silver Garments thus had a high-end position along the global subcontracting chain.

While the management team was basically mainland Chinese, China Silver Garments fostered an ambition to build up the most advanced and modern enterprise in the Shanghai region, one which could live up to perceived international standards. This was thought to ensure that the company would be able to survive and expand in severe global competition by introducing modern management methods and international labour standards. The Chinese manager, a bright and ambitious figure, was keen on imagining a new paradigm of management for the Chinese workplace, which has long been associated internationally or locally with a ‘sweatshop’ image.
The politics of spatial production in capital accumulation was explicitly important to China Silver Garments, concerned as it was for tapping into the circulation of global production. The company was originally located in an old industrial zone of the city centre, northwest of Shanghai. To upgrade company scale and production facilities in order to attract more highly valued production orders from international buyers, the company made a decision to input an investment of RMB20m to build new factory premises. In March 2001 China Silver Garments moved into the new premises close to Shanghai, built in a high-tech and development zone, newly planned as an export-processing zone for foreign companies, joint-venture companies and large-sized private companies. The new compound appeared modern and sophisticated, consisting of a three-storey building housing the production facilities, with an attached administrative block, a separate one-storey canteen (with kitchen) and a detached utility room. The vast compound (some 18,000 square metres) had a substantial unoccupied area, where management planned to erect a modern dormitory with advanced facilities.

Accommodating the labour force

To maintain its niche in the high-end production chain, China Silver Garments had been certified ISO 9000 and ISO 14000 compliant in 2000. In 2002 China Silver Garments was required to sign the European corporation’s code. The management was proud of their achievement in meeting these international standards on production quality, human resources and environmental issues. Management obtained SA 8000 in 2003, and a task force of five was formed to create an assessment and procedure system for promoting labour and human rights standards according to the ILO Conventions. While China Silver Garments already had an advanced company compound, what was lacking was a modern dormitory building that could live up to the corporate code of the European buyer. Frequent inspections from the European corporation had hastened the process of building modern accommodation facilities for its workforce. Maintaining the number of employees around 1000, a suitable size for retaining quality workers, and a just-in-time labour system, an on-site dormitory was thus proposed on the company business agenda. The task force said:

The first priority is to build our dormitory as soon as possible. We need to meet the international requirements, but we also need to confine our workers in better living conditions so that they can be more accessible to work.

Having workers ‘on tap’ and ready for production as and when required seems the priority of management from the above quote. The ‘confinement’ of the workforce in relatively good living conditions under stricter management control, was paradoxically deemed a company strategy to retain workers who were often mobile and unstable. The labour turnover rate in foreign or privately owned enterprises in China is particularly high, ranging between 30 and 90 percent each year (Smith, 2003).

Labour mobility was a top concern not only for management, but also for the Chinese government when it had to deal with 120 million rural migrants.
flooding the cities seeking job opportunities each year since the mid 1990s (see Cook, 2000). Ninety percent of the workforce in China Silver Garments was rural workers coming from villages or towns in Zhejiang and Jiangsu, two nearby hinterland provinces of the Shanghai region. The remaining 10 percent were local workers who lived at home. About 85 percent of the workers employed in China Silver Garments were women. Most were between 22 and 24 years old. Accommodation of these women workers thus was a touchy problem for the company since the new dormitory provisions were still not ready. Some 45 percent of the workers lived in factory rented dormitories, 15 minutes walk from the factory compound, and another 45 percent lived in rooms rented by themselves in suburban areas. Some workers took half an hour to cycle to the factory. The dormitory labour regime has a gendered form since China Silver was predominantly occupied by young female workers who were separately housed from men workers at the factory dormitory.

A gendered workforce hierarchy was constituted not only in the forms of wage, work position and status, but also in accommodation at China Silver Garments. There was a huge difference in accommodation provision between the managerial, technical and clerical staff who were predominantly male, and the remaining production workers who were women, representing a spatial hierarchy that served to reinforce gender segmentation of the labour force. The company was renting flats and dormitory rooms in three different locations nearby, for some 500 workers. The company had already rented these dormitories when it was operating in the previous premises. Two-bedroom flats were rented for managerial staff, forepersons or office clerical staff whose living conditions were far better than those for the women production workers. A shared dining room, kitchen, toilet and bathroom with hot water facilities were provided in the flats. Dormitory rooms rented in government-built premises housing 8 to 16 people were for production workers. Living conditions were generally poor and far from meeting the corporate code’s requirements concerning minimum housing standards. No kitchen and bathroom were provided; a shared toilet used by more than 10 workers did not provide adequate sanitary conditions. Water was not provided to the workers, who had to buy it on the ground floor. Fire drills and emergency lighting were non-existent and fire extinguishers were either absent or out of order.

Contrary to the code, the workers were not provided with their own storage space for their clothes and personal belongings, which they had to hang over their beds. Generally, no fans were installed, even in the 16-bed double-bunk dormitories on the upper floor of one building, where temperatures soared in summer. As hot water and showers were in some places not available; workers had to go to the public baths to get a shower, at a cost of RMB5 (US$0.6). Under these pressures to adopt the code supported by the European corporation, the management showed us a very sophisticated dormitory plan, which was drawn up by a construction and design company based on the code’s requirements.

The dormitory looked like a hostel building, with a big hall on the ground floor, corridors on each upper floor and very neat living rooms. The facilities manager who was responsible for managing accommodation and food provision
said, once the dormitory building was constructed, every room would only house four to six workers, providing each with an individual bed, lighting, storage space, and a shared kitchen, toilet, bathroom, fans, hot water facilities and even telephone services. A library, a clinic and a recreational common room would be placed on the ground floor for all workers to use. With these accommodation facilities, the company expected to benefit by retaining a better quality workforce with more experience and skills for a longer period. The average length of tenure in China Silver Garments was two years. Keeping a more stable and disciplined workforce was at the top of the management’s agenda. This aim of labour retention was somewhat contradictory given the 22–24 years age profile of the workforce, and the relatively low wages reinforced by migrant labour circulation. ‘Longer-term’ attachment was therefore only for a few additional years and the migrant composition of labour was not expected to change. The additional welfare benefits within the factory compound were, as noted earlier, there to serve to confine labour on a daily basis to serve the needs of production and demands of the product market better.

Controlling the social, non-working lives of workers was envisioned as being possible through a modern dormitory. ‘More supervisions and inspections can be enforced in the new dormitory building, and women workers can be better protected,’ explained the facilities manager. Moreover, ‘Male workers won’t be able to wander around in the streets at midnight, and smoking can be more effectively kept under control.’ Self-management of dormitory rooms was also anticipated in that the workers would learn how to discipline themselves and maintain their living conditions properly. A modern dormitory regime with better living conditions thus meant a subtler regime of control and surveillance over workers’ daily life. A cleaner place to live, more private and individualized space, and better-ventilated rooms would be expected. However, the price for these improved living conditions was a modern control system, in which the workers had to surrender their freedom of movement to the enhanced disciplinary power of management over their non-working lives.

Freedom of movement

In terms of freedom of movement, the workers of China Silver Garments seemed to enjoy a lot more when compared to China Golden Garments or other companies in China (Chan, 2001). The company provided a contract for every worker who had passed the probation period, the latter varying in length from a few days up to one or two months. The company did not keep the identity cards of workers (only photocopies), nor did it keep workers in debt, a widespread practice considered essential for constraining workers’ mobility power. The management was proud again that they did not adopt these ‘inhuman’ practices. However, a system of deposits was adopted, under which each worker had to deposit a total amount of RMB120 (US$14.5) for tools, locker key, employee’s identity electronic card and dormitory where applicable.

The new company compound was walled as usual like other companies’ compounds in China with security guards stationed at the entrance gate. Other
guards were also present in the dormitory building, but workers were free to go in and out as they pleased. Stealing was rife in the dormitory building, which justified more patrolling and surveillance. The dormitory building’s gate was closed at 12 o’clock at night unless a management order was received from above because of overtime work after midnight.

Most women workers were paid on a piece rate basis and were paid cash monthly, with an average wage of RMB600–700 (US$72.3–84.3) inclusive of overtime work. Working hours per day averaged 10, with six working days except when production was pressed to meet rush orders, in which case the rest day on Sunday would be cancelled. More regular working hours were observed at China Silver Garments. The normal working hours were from 8 a.m. to 5 p.m. (with a lunch break from 11:30 to 12:30 and a 5 to 6 p.m. dinner break) and 6–8 p.m. overtime. The supervisors, technical, managerial and office staff were paid on monthly rates, with a higher average at RMB800–1500 (US$96.4–180.7). For the production workers, however, the wages were not paid for the current month, but for the previous month. Workers were thus always one month behind in terms of the payment of wages.

Fines were widely used for control purposes. Two different systems of salary deductions for disciplinary reasons were in place: one concerned production workers, and fines ranged from RMB1 to RMB5 (US$0.12 to 0.6), and the other concerned supervisory and managerial staff. In the latter case, fines ranged from RMB5 to RMB55 (US$0.6 to 6.6). Absence from work or late arrival were considered ‘penalties’ and led to deductions from the monthly wages. For line supervisors, a quite complex system of ‘rewards’ was applied, called ‘5S’,3 amounting actually to a system of salary deductions for disciplinary measures. The management also planned to replace the system of fines for disciplinary reasons by a more positive system of rewards.

In short, to meet international standards and as required by the European corporation’s code, the management’s strategy was to upgrade dormitories as a matter of priority. Moreover, creating a reward system to replace the system of fines was also seen as a must to demonstrate the modern credentials of the company. A modern dormitory labour regime was thus imagined by the Managing Director to live up to the age of globalized production in a transnational context. This represents one of the most common strategies of capital with regard to the dormitory labour regime: to accept the rationalization logic of transnational capital by embracing codes of conduct and international quality marks in order to access global markets.

**Conclusion: the dormitory labour regime and labour process theory**

This article strives to explore in depth the spatial political economy of the dormitory labour regime in China as a particular form of transnational labour process by using two case studies. With the opening up of production for the global market in contemporary China, the utilization of dormitories to accommodate
migrant labour is a systemic feature of factory production. Irrespective of industry, location, or nature of capital, Chinese migrant workers, male or female, single or married, who dominate employment, are accommodated in industrial dormitories within or close to factory compounds in China. We theorize this phenomenon as a ‘dormitory labour regime’ to capture the recurrence of dormitory factories as the hybrid outgrowth of global capitalism and the legacies of state socialism.

The article argues that the movement of industrial capital to China from advanced economies such as the USA, Europe and Asia (Japan, Korea, Hong Kong and Taiwan especially) particularly in clothing, electronics, toys and many other consumer goods sectors, signifies an abandonment of production regimes in which labour, institutionally speaking, could have more effect and collective bargaining power, to one in which employers have more control over labour effort and labour flow. In other words, capital flight to China is to a regime where labour power is massively weakened relative to the power of capital and the power of labour in the Western manufacturing countries. To understand these shifts better, the article advocates a ‘transnational labour process perspective’. By this we mean an analysis of work relations within a concrete or embedded production process, and one which is locked into transnational capital flows, labour flows, and work organization practices that are not only nationally bounded, but transnational and global in their structure. Moreover, we argue that the study of the production process requires the study of the reproduction of labour, especially daily reproduction, as how workers are attached to the company through a dormitory labour regime. It also means the factory-centred socialization of the daily reproduction of labour, extended management powers over workers’ lives, and extension of the working day and flexible controls over working time in a manner which is not provided within home–work separations within conventional market economies. It is a kind of new production space re-institutionalized between transnational capital and the local state in China for re-fusing the sphere of production and reproduction of labour into one regime.

Relating this labour regime to labour process theory, we could say that the dormitory labour regime represents an absolute lengthening of the working day, a return to absolute not relative surplus value production and an easy access to labour power during the working day – a just-in-time labour system for just-in-time production for quick delivery and distribution systems. It also shows direct control over the labour process with limited formal consensual controls over the effort bargain, and a system of labour discipline such as fines over effort bargaining. Moreover, there is also direct control over the daily reproduction of labour power in accommodation, food, travel, social and leisure pursuits within the production units. The strict control over production and reproduction spheres in return would greatly affect workers’ collective bargaining power. The constant circulation of labour creates difficulty for labour organizing compared to situations in which labour is concentrated within definite social spaces. Constant circulation acts like high labour turnover, the unremitting dispatching of labour leadership, and thus favours the employer, as it removes the discontented and
more vociferous workers from the workplace. There is a need for more systematic research into this feature of the dormitory system as a form of transnational labour process, which we are currently undertaking. We can see from our two case studies that there is variability in the use of dormitories, and one would predict the developing of hierarchical provision to capture and retain workers. This signals the making of a new spatial political economy of labour regimes, and hence a novel form of transnational labour process in China.

In short, this article contributes to the study of the systematic use of dormitory labour as the recurrent phenomenon of global capitalism in the Chinese context. The systematic use of dormitory labour gives rise to new theorization on the spatiality of global production, new relations between employment and accommodation, and new possibilities for labour solidarity and resistance, which all deserve further in-depth study. While this use of dormitory labour is specific to the context of contemporary China, its impact on global production especially in terms of labour control and labour resistance is far-reaching and significant.

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Notes

1 OEMs are manufacturers who resell another company’s product under their own name and branding.
2 A monthly housing allowance of RMB30 was provided to those migrant workers who had to find accommodation for themselves. Around 50 percent of the workers received this allowance.
3 The 5S stood for the Chinese words meaning: orderliness; ‘fixing’ of machines and equipment; cleaning things and putting away tools etc.; ensuring adequate workplace environment (i.e. floors) and family-like behaviour with workers.

References


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